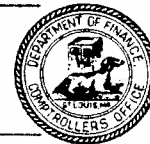


FILE COPY



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

*Internal Audit Section*

Carnahan Courthouse Building  
1114 Market St., Room 608  
St. Louis, Missouri 63101  
(314) 622-4723  
Fax: (314) 613-3004

July 22, 2008

Robert Otrembiak, Executive Director  
Humanitri  
2108 Russell Avenue  
St. Louis, MO 63104

RE: Fiscal Monitoring Review of Humanitri, Federal Emergency Shelter Grant (FESG),  
Contract #54713, CFDA #14.231 and Supportive Housing Program (SHP),  
Contracts #55738 & #55746, CFDA #14235 (Project #2008-HOM1)

Dear Mr. Otrembiak:

Enclosed is a report of our fiscal monitoring review of Humanitri, FESG and SHP, for the period March 1, 2006 through September 30, 2007. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of Humanitri. Our fieldwork was completed on October 22, 2007.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Department of Human Services (DHS) to provide fiscal monitoring to all federal grant subrecipients.

If you have any questions, please contact me at (314) 622-4723.

Sincerely,

A handwritten signature in black ink, appearing to read "Mohammad H. Adil".

Mohammad H. Adil, CPA  
Internal Audit Manager

Enclosure

cc: Patrick Brennan, Fiscal Manager, DHS



# CITY OF ST. LOUIS

***DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES PROGRAM***

***HUMANITRI  
FEDERAL EMERGENCY SHELTER GRANT (FESG)  
CONTRACT #54731, CFDA #14.231  
SUPPORTIVE HOUSING PROGRAM (FESG)  
CONTRACTS #55728 AND #55746, CFDA #14.235***

***FISCAL MONITORING REVIEW***

***MARCH 1, 2006 THROUGH SEPTEMBER 30, 2007***

***PROJECT #2008-HOM1***

***DATE ISSUED: JULY 223, 2008***

***Prepared by:  
The Internal Audit Section***



# OFFICE OF THE COMPTROLLER

**Honorable Darlene Green, Comptroller**

**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES  
HUMANITRI  
FEDERAL EMERGENCY SHELTER GRANT (FESG)  
AND SUPPORTIVE HOUSING PROGRAMS (SHP)  
FISCAL MONITORING REVIEW  
MARCH 1, 2006 THROUGH SEPTEMBER 30, 2007**

**TABLE OF CONTENTS**

| <b><u>Description</u></b>  | <b><u>Page(s)</u></b> |
|--|-----------------------|
| INTRODUCTION   |                       |
| Background   | 1                     |
| Purpose  | 1                     |
| Scope and Methodology  | 1                     |
| CONCLUSION AND SUMMARY OF OBSERVATIONS                               |                       |
| Conclusion   | 2                     |
| Status of Prior Observations   | 2                     |
| A-133 Status   | 2                     |
| Summary of Current Observations                                      | 2                     |
| DETAILED OBSERVATIONS, RECOMMENDATIONS<br>AND MANAGEMENT'S RESPONSES | 3                     |

**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES  
HUMANITRI  
FEDERAL EMERGENCY SHELTER GRANT (FESG)  
AND SUPPORTIVE HOUSING PROGRAMS (SHP)  
FISCAL MONITORING REVIEW  
MARCH 1, 2006 THROUGH SEPTEMBER 30, 2007**

**INTRODUCTION**

**Background**

**Contract Name:** Humanitri

**Contract Numbers:** 54731 (FESG), 55738 & 55746 (SHP)

**CFDA Numbers:** 14.231 (FESG)  
14.235 (SHP)

**Contract Periods:** July 1, 2006 through June 30, 2007 (FESG)  
March 1, 2006 through February 29, 2008 (SHP)  
January 1, 2007 through December 31, 2007 (SHP)

**Contract Amounts:** \$195,811 (FESG); \$310,060 (SHP); \$23,160 (SHP)

These contracts provided funds from the Department of Housing and Urban Development (HUD) to Humanitarian (Agency) to provide transitional housing and supportive services for families who are City of St. Louis residents and who are homeless or at risk of becoming homeless.

**Purpose**

The purpose of this fiscal monitoring review was to determine the Agency's compliance with OMB A-133, state and local DHS requirements for the periods March 1, 2006 through September 30, 2007 and make recommendations for improvements as needed.

**Scope and Methodology**

We made inquiries regarding the Agency's internal controls relating to the grant administered by DHS, tested evidence supporting the reports the Agency submitted to DHS and performed other procedures considered necessary. Our fieldwork was completed on October 22, 2007. Management's responses were received on May 8, 2008, and have been incorporated into this report.

**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES  
HUMANITRI  
FEDERAL EMERGENCY SHELTER GRANT (FESG)  
AND SUPPORTIVE HOUSING PROGRAMS (SHP)  
FISCAL MONITORING REVIEW  
MARCH 1, 2006 THROUGH SEPTEMBER 30, 2007**

**CONCLUSION AND SUMMARY OF OBSERVATIONS**

**Conclusion**

The Agency did not fully comply with OMB Circular A-133 and local DHS requirements.

**Status of Prior Observations**

The Agency's most recent fiscal monitoring report, dated October 13, 2006, identified no observations.

**A-133 Status**

The Agency was required to have an OMB Circular A-133 audit because it expended \$500,000 or more in federal funds for year ending December 12, 2006. The report was filed on July 3, 2007, and issued unqualified opinions on the financial statements and on major federal awards. The Agency was not determined to be a low-risk auditee.

**Summary of Current Observations**

We made a recommendation for the following observation, which if implemented, could assist the Agency in fully complying with OMB Circular A-133, state and local DHS requirements.

- Submission of Annual Progress Report

**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES  
HUMANITRI  
FEDERAL EMERGENCY SHELTER GRANT (FESG)  
AND SUPPORTIVE HOUSING PROGRAMS (SHP)  
FISCAL MONITORING REVIEW  
MARCH 1, 2006 THROUGH SEPTEMBER 30, 2007**

**DETAILED OBSERVATIONS, RECOMMENDATIONS  
AND MANAGEMENT'S RESPONSES**

**Submission of Annual Progress Report**

The Agency must submit an Annual Progress Report (APR), HUD Form 40118, no more than 30 days following the end of the operating year. We noted that the Agency did not submit an APR for contract #54731. We also found that the Agency submitted APR for contract #55738 on June 18, 2007. This report was due on March 31, 2007. The Agency did not fulfill its contractual obligations. This may result in suspension or termination of the grant and draw downs from HUD.

**Recommendation**

We recommend that Agency make improved efforts to submit all future APRs in a timely manner.

**Management's Response**

*We concur with the finding that the APR for the project (document #55738) was late...; the former director who was primarily responsible for compliance is no longer with the organization. We are working closely with the City Department of Human Services to ensure Humanitri's continued and improved compliance, and a number of new accountability practices have been put in place over the last year, including: third-party oversight; establishing and documentation, finance and government; and strengthening of relationships with all stakeholders.*

*We do **not** concur with the finding that we did not submit an APR for the project (document #54731). We completed and submitted the report, and in timely fashion, as evidenced by the signature of our program director on July 25, 2007.*

**Auditor's Comment**

We verified the Agency's timely submission of the APR for contract #54731 and considered this part of the observation resolved.